

Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation, also titled The Flinn Report in memory of founding JCAR member Rep. Monroe Flinn, is designed to inform and involve the public in changes taking place in agency administration.

New Rules

■ TAX PAYMENTS

The DEPARTMENT OF REVENUE adopted an amendment to Payment of Taxes by Electronic Funds Transfer (86 IAC 750; 40 Ill Reg 1587) effective 6/24/16, reflecting various statutory changes and updates. Individual taxpayers with annual tax liabilities of \$200,000 or more, and other entities with annual tax liabilities of \$20,000 or more, must make all payments to DOR by electronic funds transfer (EFT). These rules also apply to motor fuel taxes, environmental impact fees and taxes imposed on medical cannabis cultivation centers and dispensaries. Businesses subject to income tax, sales tax and other State taxes are affected.

■ MEDICAL CANNABIS TAX

DOR also adopted an amendment to Medical

Cannabis Privilege Tax Law (86 IAC 429; 40 Ill Reg 3173), effective 6/24/16, replacing an emergency rule that was effective 2/3/16. The amendment offers guidance on the application of the tax, which is imposed on cultivation centers that grow medical cannabis. The rule requires that the average sales price per gram of cannabis flowers be computed monthly at the beginning of the month. The tax shall be applied at that rate regardless of whether the average price changes due to the addition of a new strain costing more or less. Similarly, the average price will be determined monthly at the beginning of the month for actual weight of cannabis concentrate or extract, such as hash oil, wax, shatter, caviar, etc. Two examples are given. Medical cannabis cultivation centers are affected by these rulemakings.

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Proposed Rulemakings

■ PROCUREMENT

The CHIEF PROCUREMENT OFFICER FOR GENERAL SERVICES proposed amendments to Standard Procurement (44 IAC 1; 40 Ill Reg 8884) which raise the purchase threshold for small contracts exempt from competitive bidding under the Illinois Procurement Code. The contract ceiling for supplies and services is being raised from \$50,000 to \$80,000 and the ceiling for construction contracts is being raised from \$70,000 to \$100,000. This rulemaking will affect small businesses seeking State contracts.

Questions/requests for copies/comments through 8/22/16: Michelle Casey, CPO-GS, 401 S. Spring St., 513 Stratton Building, Springfield IL 62706, 217/494-5577, michelle.casey@illinois.gov

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NEW RULES: Rules adopted by agencies this week. **EMERGENCY RULES:** Adopted for a temporary period not to exceed 150 days.

PROPOSED RULES: Rules proposed by agencies this week, commencing a 45-day First Notice period during which public comments must be accepted.

PEREMPTORY RULES: Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.

■ Designates rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.

QUESTIONS/COMMENTS: Submit mail, email or phone calls to the agency personnel listed below each summary.

RULE TEXT: Available on the Secretary of State (www.cyberdriveillinois.com) and General Assembly (www.ilga.gov) websites under Illinois Register. Second Notice text (original version with changes made by the agency during First Notice included) is available on the JCAR website.

New Rules

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Questions/requests for copies of the 2 DOR rulemakings: Richard Wolters, DOR, 101 W. Jefferson, Springfield IL 62794, 217/782-2844.

■ CURRENCY EXCHANGES

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION adopted amendments to the Part titled Currency Exchange Act (38 IAC 120; 40 Ill Reg 5233) effective 8/1/16. The amendments add new definitions (“controlling person”, “licensed location”, and “licensee”) added to the Currency Exchange Act by Public Act 99-445, make numerous technical revisions to reflect the new terminology, repeal a provision barring a licensee from cashing a check or money order which is undated or postdated, and prescribe a new fine schedule. Categories of fines include those for technical licensure compliance violations (e.g., not submitting a timely annual report), between \$100 and \$250; violations regarding disclosures to customers (e.g., failure to post a license and fees), between \$250 and \$500; non-financial operational violations (e.g., record keeping violations), between \$250 and \$1,000; and financial violations (e.g., charging excessive rates to customers, violating anti-money laundering requirements), between \$500 and \$1,000. Multiple violations within the same category of fines within

three consecutive examination periods may result in fines up to the statutory limit, or the Department may take further measures permitted by law, such as suspension or revocation of a license. The Department will allow licensees an opportunity to correct any violation within 15 days after due notice is given the licensee, after which there will be a follow-up investigation by the Department. The Department may reduce or dismiss a fine. This rulemaking may affect currency exchange businesses.

Questions/requests for copies: Craig Cellini, DFPR, 320 W. Washington, 3rd Fl., Springfield IL 62786, 217/785-0813, Fax: 217/557-4451.

■ FOOD PROCESSING

The DEPARTMENT OF PUBLIC HEALTH adopted amendments to Manufacturing, Processing, Packing or Holding of Food Code (77 IAC 730; 40 Ill Reg 322) effective 6/21/16, incorporating updated federal rules and guidelines regarding food handling and the processing of molluscan shellfish (e.g., oysters) and establishing a single Section for definitions. Food manufacturing and processing plants will be affected by this rulemaking.

Questions/requests for copies: Elizabeth Paton, DPH, 535 W. Jefferson St., 5th Fl., Springfield IL 62761, 217/782-2043, dph.rules@illinois.gov

HORSE RACING

The ILLINOIS RACING BOARD adopted amendments to Medication (11 IAC 603; 40 Ill Reg 2892), effective 7/1/16, adding threshold levels for cetirizine, cimetidine, guaifenesin, methylprednisolone and ranitidine as therapeutic medications. IRB is also updating incorporations by reference to the December 2015 edition of the Association of racing Commissioners International Uniform Classification Guidelines for Foreign Substances. Finally, IRB is removing penalties for excess amounts of phenylbutazone, flunixin and ketoprofen as they are consistent with ARCI.

Questions/requests for copies: Mickey Ezzo, IRB, 100 W. Randolph, Ste. 5-700, Chicago IL 60601, 312/814-5017.

PUBLIC INFORMATION

The ILLINOIS HISTORIC PRESERVATION AGENCY adopted a new Part titled Access to Records of the Historic Preservation Agency (2 IAC 1580; 40 Ill Reg 9179) effective 6/21/16, implementing procedures for requesting public records from IHPA under the Freedom of Information Act.

Questions/requests for copies: Peggy Snyder, IHPA, 313 S. Sixth St., Springfield IL 62701, 217/785-9045, fax 217/785-7937, e-mail: peggy.snyder@illinois.gov

Proposed Rulemakings

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TEACHERS' RETIREMENT

The TEACHERS' RETIREMENT SYSTEM (TRS) proposed amendments to The Administration and Operation of the Teachers' Retirement System (80 IAC 1650; 40 Ill Reg 9146). One Subpart regarding the TRS payroll deduction program is being almost entirely repealed in accord with guidance from the IRS. The System is also clarifying its procedures and policies for investment manager solicitation. An investment manager candidate profile is a written, customized document prepared by TRS staff listing the manager qualifications sought by TRS posted on the TRS website, with all investment manager searches also available on the Illinois Procurement Policy Board's website. Although investment manager searches and evaluation criteria shall be unique to the type of manager sought, evaluation criteria and minimum qualifications will generally be comprised of up to 24 elements, including, but not limited to: the manager type, style; minority investment manager inclusion; amount to be invested; investment vehicles; the process for selection of finalists; minimum asset requirements of a manager; geographic location; investment style and investment research capabilities; the minimum performance record of investment manager candidates; etc.

Questions/requests for copies/comments through 8/22/16: Cynthia Fain, TRS, 2815 W. Washington, PO Box 19253, Springfield IL 62794-9253, 217/753-0375.

■ ETHANOL FUELS

The DEPARTMENT OF AGRICULTURE proposed an amendment to the Part titled Motor Fuel and Petroleum Standards Act (8 IAC 850; 40 Ill Reg 8880) that maintains in rule exceptions to vapor pressure standards for ethanol fuels listed in the National Institute of Standards and Technology (NIST) Handbook 130. A companion emergency rule (40 Ill Reg 7478) was adopted 4/26/16, effective for a maximum of 150 days. The proposed rulemaking adopts the ethanol fuel standards found in the 2016 (formerly 2013) edition of NIST Handbook 130 but rejects NIST's scheduled 5/1/16 expiration date for the vapor pressure exceptions. Petroleum producers and marketers, and other businesses that sell ethanol blended motor fuels, are affected.

Questions/requests for copies/comments through 8/22/16: Susan Baatz, DOA, State Fairgrounds, P.O. Box 19281, Springfield IL 62794-9281, 217/524-6905, fax 217/785-4505.

■ VIDEO GAMING

The ILLINOIS GAMING BOARD proposed amendments to Video

Gaming (General) (11 IAC 1800; 40 Ill Reg 9024) amending the definition of "person with significant influence or control" over a gaming licensee to include any person or entity that receives net terminal income under a contractual agreement, or that holds an option agreement to acquire an equity stake in a terminal operator licensee. (A person with significant influence or control is subject to more stringent disclosure and reporting requirements.) Businesses that receive income from video gaming terminals or have options to acquire an interest in a video gaming business are affected by this rulemaking.

Questions/requests for copies/comments through 8/22/16: Agostino Lorenzini, IGB, 160 N. La Salle St., Chicago IL 60601, fax 312/814-7253.

RADIOACTIVE MATERIAL

The ILLINOIS EMERGENCY MANAGEMENT AGENCY proposed amendments to Licensing of Radioactive Material (32 IAC 330; 40 Ill Reg 8979) reflecting updates to federal compatibility requirements in regulations issued by the federal Nuclear Regulatory Commission (NRC) in 2013. These changes establish new handling and reporting requirements for radioactive source materials and revise exemptions from IEMA

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Second Notices

The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. The Healthcare and Family Services rulemaking will be considered at the Committee's July 12, 2016 meeting, while the remaining rulemakings will be considered at the August 9, 2016 meeting. Other items not published in the *Illinois Register* or The Flinn Report may also be considered. Further comments concerning these rulemakings should be addressed to JCAR using the contact information on page 1.

DEPT OF HEALTHCARE AND FAMILY SERVICES

Medical Assistance Programs (89 IAC 120; 39 Ill Reg 10667) proposed 8/7/15

DEPT OF AGRICULTURE

Industrial Hemp Pilot Program (8 IAC 1100; 40 Ill Reg 5741) proposed 4/1/16

IL GAMING BOARD

Video Gaming (General) (11 IAC 1800; 40 Ill Reg 5753) proposed 4/8/16

Video Gaming (General) (11 IAC 1800; 40 Ill Reg 7275) proposed 5/13/16

Riverboat Gambling (86 IAC 3000; 40 Ill Reg 7285) proposed 5/13/16

IL COMMERCE COMMISSION

Donations of Utilities (83 IAC 325; 40 Ill Reg 2088) proposed 1/29/16

DEPT OF REVENUE

Income Tax (86 IAC 100; 40 Ill Reg 6676) proposed 4/22/16

Proposed Rulemakings

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licensing requirements to better reflect current market conditions and risk assessment. IEMA is also amending General Provisions for Radiation Protection (32 IAC 310; 40 Ill Reg 8957) to reflect the federal changes to the definition of "unrefined and unprocessed ore". Since these amendments are identical-in-substance to federal regulations, they are

exempt from the general rulemaking requirements of the Illinois Administrative Procedure Act, but IEMA will accept public comment.

Questions/requests for copies/comments on the 2 IEMA rulemakings through 8/22/16: Traci Burton, IEMA, 1035 Outer Park Drive, Springfield IL 62704; 217/785-9860 (voice); 217/782-6133 (TDD).

■ TELECOMMUNICATIONS

The ILLINOIS COMMERCE COMMISSION proposed amendments to Telecommunications Access for Persons with Disabilities (83 IAC 755; 40 Ill Reg 8896; ICC Docket 16-0335) and Telecommunications Relay

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Proposed Rulemakings

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Services (83 IAC 756; 40 Ill Reg 8939; ICC Docket 16-0336). These amendments implement PA 99-6, which requires that programs enabling persons with disabilities to have telecom access (assistive technology and telephone relay services) be funded by charges not just from landline customers but also from wireless, prepaid wireless and VOIP customers as well. The amendments also simplify the public notification/advertising requirements for these programs, and make a number of additional changes requested by the Illinois Telephone Access Corporation (ITAC).

LOCAL EXCHANGE CARRIERS

ICC also proposed amendments to Interconnection (83 IAC 790; 40 Ill Reg 8952; ICC Docket 16-0337), prompted by its statutory biennial review of telecom-related rules. The amendments require incumbent local exchange carriers (ILECs) to file interconnection reports upon request by ICC (currently, annually). These amendments also set a fixed 5-year period during which the information in interconnection reports must be considered proprietary (currently, this timespan is determined by specific ICC order).

Questions/requests for copies/comments through 8/22/16: Elizabeth Rolando, Chief Clerk, Illinois Commerce Commission, 527 E. Capitol Avenue, Springfield

IL 62701, 217/782-7434. Please reference the applicable docket number when submitting comments. Copies of these rulemakings and related ICC documents, transcripts and public comments can also be found by docket number at <https://icc.illinois.gov>.

STATE POLICE MERIT BOARD

The ILLINOIS STATE POLICE MERIT BOARD proposed a new Part titled Illinois State Police Merit Board Personnel Rules (80 IAC 160; 40 Ill Reg 9092) establishing rules and procedures for Board employees concerning position classifications, work schedules, performance reviews, promotions and demotions, discipline, grievance procedures, leave, overtime, and other issues.

Questions/requests for copies/comments through 8/22/16: Ronald P. Cooley, ISPMB, 531 Sangamon Ave. East, Springfield IL 62702, 217/786-6240.

PROPERTY TAX ASSESSMENT

The DEPARTMENT OF REVENUE proposed an amendment to Property Tax Code (86 IAC 110; 40 Ill Reg 9063) updating the list of multi-township assessment districts for the period 1/1/18-12/31/21. Corrections and additions were also made to the list of districts for the term 1/1/14-12/31/17.

Questions/requests for copies/comments through 8/22/16: Robin Gill, DOR, Legal Services, 101 West Jefferson, Springfield IL 62794, 217/624-4886.

ADA PROCEDURES

The HISTORIC PRESERVATION AGENCY proposed a new Part titled Americans With Disabilities Act Grievance Procedure (4 IAC 1200; 40 Ill Reg 9043). The rules detail procedures for filing complaints regarding possible violations of the federal Americans with Disabilities Act, the role of the designated coordinator and the Director, accessibility, and case-by-case resolution. This rulemaking will affect persons with disabilities.

HPA REPEALERS

HPA also proposed repeal of the Parts titled Inclusion and Removal of Places from the Illinois Register of Historic Places (17 IAC 4120; 40 Ill Reg 9050) and The Illinois Register of Historic Places (17 IAC 4140; 40 Ill Reg 9055) because the statute establishing the Illinois Register of Historic Places has been repealed.

Questions/requests for copies/comments on the 3 HPA rulemakings through 8/22/16: Peggy Snyder, HPA, 313 S. Sixth St., Springfield IL 62701, 217/785-9045, fax: 217/785-7937, email: peggy.snyder@illinois.gov.